



SIBO
group

closures
plastics
tools

SUSTAINABILITY REPORT 2023

Our path to a more
sustainable future

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Sibo Group's sustainable path



Dear employees, business partners and local community,

As I reflect on 2023, I am proud of my co-workers at SIBO GROUP and our progress in advancing at set sustainability goals. Sustainability is at high level of every process of our daily doing.

In addition, we seek the same from our working partners and customers. Reducing environmental footprint, reducing energy and water consumption, raising levels of effectiveness and efficiency, respecting labour policies etc.

We have set brave but achievable sustainability goals for fiscal year 2023. From reaffirming caring culture to global certifications and recognitions of our conducts. We aim to do this work responsibly, with discipline and at pace to make a positive difference.

I am proud of SIBO GROUP's culture in all our worldwide locations, illustrating the many ways we are working to enable a more sustainable future for our customers, our colleagues, our communities, and the world itself.

Thank you for your continued support and partnership in this important work. I look forward to sharing more about our achievements in the coming years. But first, I invite you to read our sustainability report for 2023.

A handwritten signature in blue ink, appearing to read 'B. Šifrar'.

*Boštjan Šifrar,
president of SIBO GROUP*

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One step closer to our goals

With the publication of the first Sustainability Report in 2022 we have not only shown our long-lasting sustainability activities but we also made some bold commitments that we are pursuing – such as aiming to reduce our CO2 net emissions (GHG emissions Scope 1 and Scope 2) for 50% by 2025 in comparison to the year 2020 and to use 100% renewable energy sources by 2030.

In a years' time our effort is leading us closer to these goals. By year 2023 we have already dramatically reduced our net emissions in comparison to 2020 and on **a year-to-year basis reduced total net emissions by 26%. 20% of total energy is from renewable resources** and is fast moving towards achieving our goal.

UN Global Compact for SDGs emphasising human and labour effort has brought to us a higher level of awareness on all levels. With our growth we develop new opportunities for personal and professional growth of our employees always ensuring equal gender rights and training opportunities. We have moved even closer to gender equal working environment and have increased the number of **training hours per employee 25%**.

All these efforts that we have done in year 2023 have led us achieving a **Ecovadis Silver Sustainability Rating**. With this we entered top 15% companies recognised by their sustainable achievements.

Yet, our activities and efforts will not stop here and as we continuously improve our products and services we do it sustainably in all of its views.

Dragan Gojkovic, CEO



We, as a company, have identified **which sustainable topics are most relevant for our company to report on**. When we started working on our first Sustainability report last year, it was overwhelming at the beginning but we have successfully identified and reported on all the relevant topics. This year we are presenting our latest Sustainability report, **for 2023** and we feel much more confident with an already established Sustainability team on board.

Our corporate social responsibility (CSR) reporting is public about every aspect of company's impact – economic, environmental and social and we are **monitoring** both positive and negative contributions, all to reach the goal of sustainable development.

We have set **reporting frameworks** on all important material topics and we manage to improve our reporting on those topics year to year.

We have identified and set our sustainability **key performance indicators (KPIs)** that we will keep monitoring and adjust in the years to follow.

Our goal is to reduce Scope 1 and scope 2 emissions by implementing **50% of electricity from renewable sources**. We have already reached **20% of electricity from renewable sources** in year 2023.

Our path to sustainable future is possible only in cooperation with our partners, suppliers and customers. With this in mind we are aimed to reach 100% of our suppliers to sign our CoC. **Already 63% of our suppliers have signed** our company's Code of Conduct in 2023.

We have set our ESG framework to comprise of three foundations: Social, Environment, and Sustainable Development. We monitor and report our advancements on an annual basis.

Dimitrij Djokić, CSO



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Corporate overview

We are the SIBO GROUP, a global full-solution provider in the fields of plastic packaging and technical solutions. Our unique blend of over **55 years of family-owned company** wisdom and industry experience harmoniously combines with the enthusiasm of 435 employees.

With **production sites spanning over three countries and two continents** we are today supplying **65 countries**. We proudly support sustainable growth, having in mind the people and environment where we are present.

SIBO's aspiration in **packaging** you will find in many of your **favorite brands in personal, beauty, food, pharma and household industry** with products as caps and closures for tubes, bottles, jars in packaging and technical solutions for households, industry, and medicine.

We design products in a way that material is used or reused more productively over entire life cycle in order to minimize impact on environment. New material developments such as post recycling materials or chemically recycled materials are being introduced with one goal in mind – to reduce our carbon footprint.

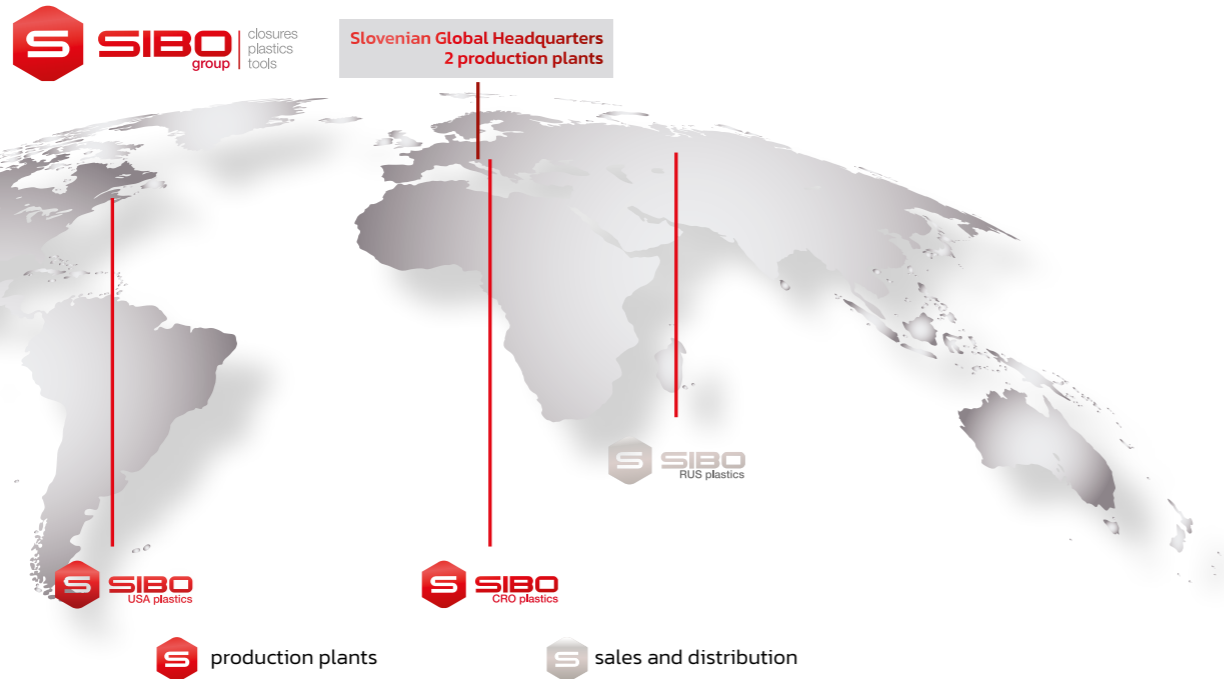
We firmly believe that businesses possess the potential to act as an opportunity for positive change, fostering prosperity for individuals, organizations, and societies.

Our mission is to help to reach the full potential of our people, partners, and organization on a global scale, with sustainability, environmental stewardship, and social responsibility forming the bedrock of our values. Anchored in our three foundations: Social, Environmental, and Sustainable development —these values define who we are, inform our operations, and guide our unwavering support for the industry and communities we support and supply. The intertwining of ESG principles and commercial growth underscores our commitment to conducting business responsibly.

We are steadfastly committed to building the foremost packaging solutions company in the industry, ensuring that our success is intertwined with the industry's overall prosperity. As we make strides in our mission to safeguard our planet and leave a positive imprint on society, we aspire to become champions of change, leaving a legacy befitting our storied history.



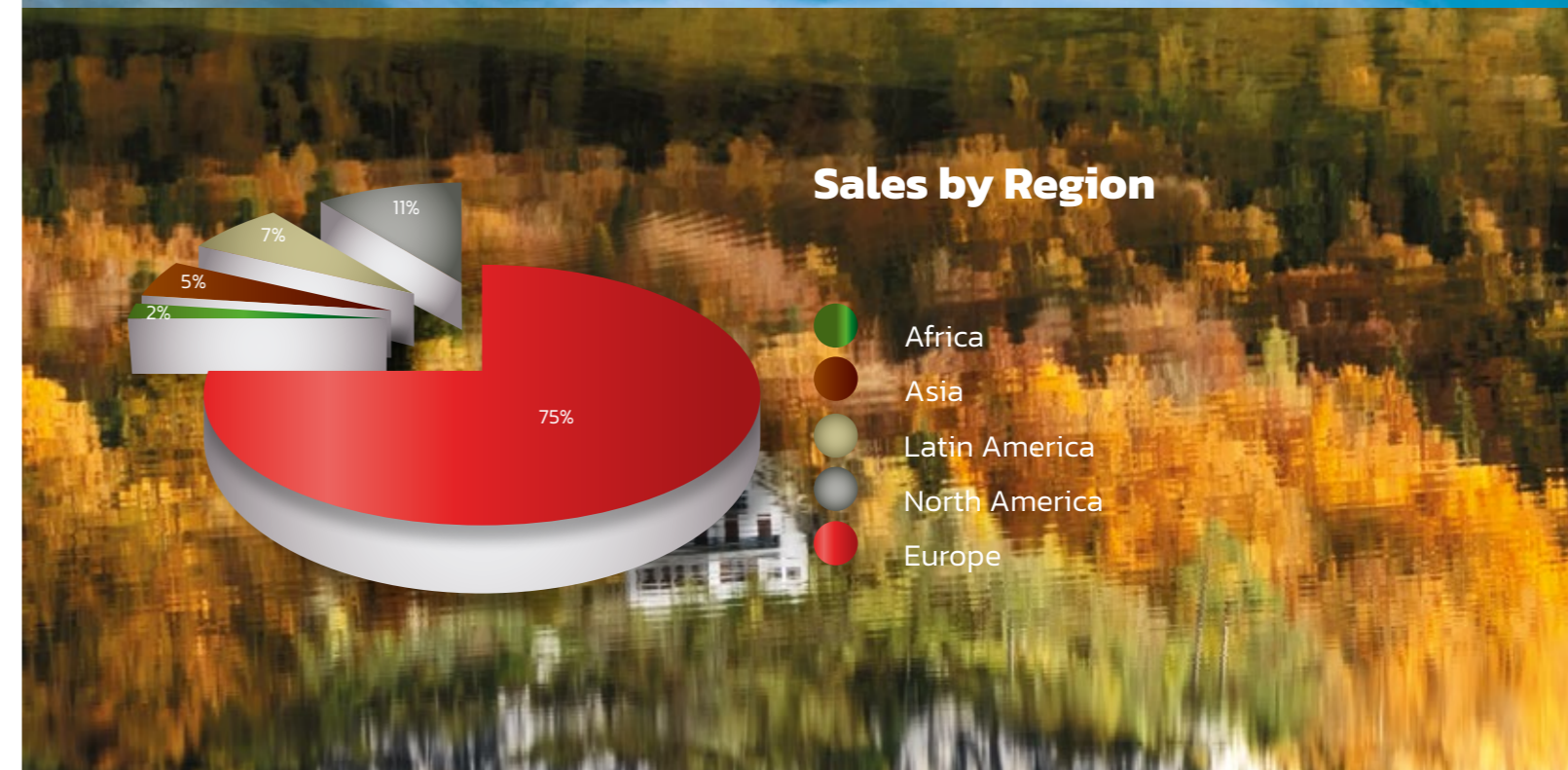
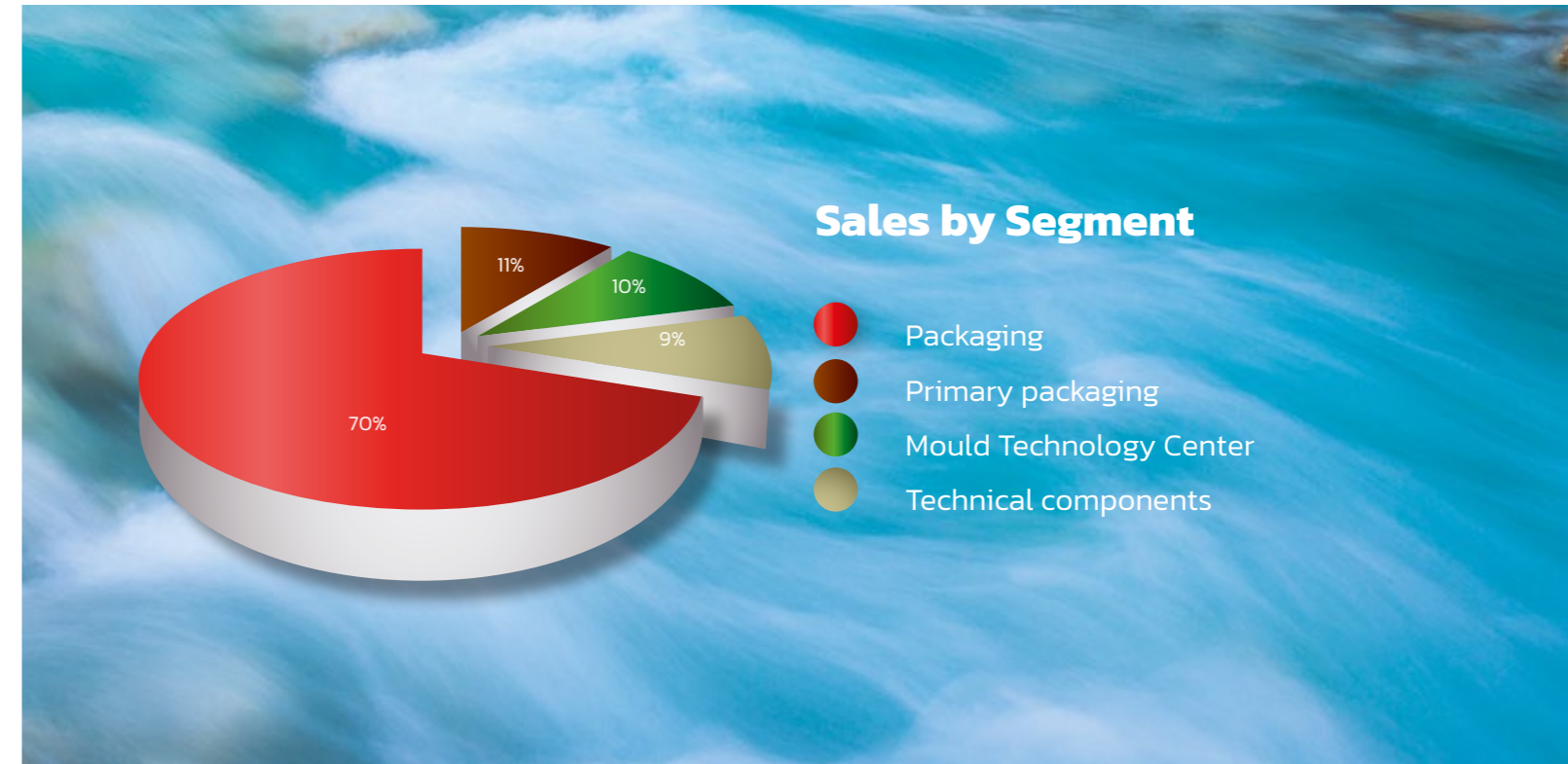
4 production sites in
3 countries serving over
65 countries worldwide



ISO 9001:2015 Quality Management System
 ISO 14001:2015 Environment Management System
 ISO 45001:2018 Occupational Health and Safety Management System and also complying with the following guidelines:
 Good Manufacturing Practice GMP
 Cleanroom ISO 14644, Class 8
 Sampling procedures for inspection ISO 2859-1
 Requirements for medical devices ISO 13485
 Requirements for primary packaging materials for medicinal products ISO 15378



Total revenue
70 mio Eur in 2023



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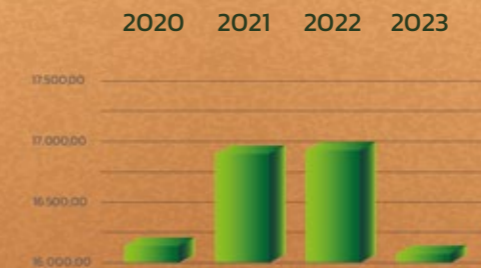
Environment



Energy

Embracing bold goals is to understand what drives the greenhouse gas footprint of our production. The key driver in our case is energy with electricity representing 98% of all energy sourced. **In year 2023 Sibbo Group production plants consumed 16.155 MWh of electricity which is 5% less energy than in year 2022.** With investment in newer machines with energy-efficient technologies and with energy saving programs we have improved the Energy Intensity Index reaching 1.56 Mwh of electricity consumption per tonne of total input material weight. We are also committed to using electricity from renewable sources combining it with sources with the least carbon footprint. **In year 2023 already 20% of all energy was from renewable sources.**

Sibo Group's energy consumption



Commitment to usage of **renewable source of electricity**

2025 at least **50%**

2030 **100%**

In the year 2022 we have undergone an energy savings evaluation in collaboration with Slovenian National Energy Agency identifying potential energy savings and improvements. **With 2023 100% of our production facilities have LED lighting creating a better working environment for our teams.** We have also undergone major compressed air generator replacement both enabling us to use less energy.

Climate



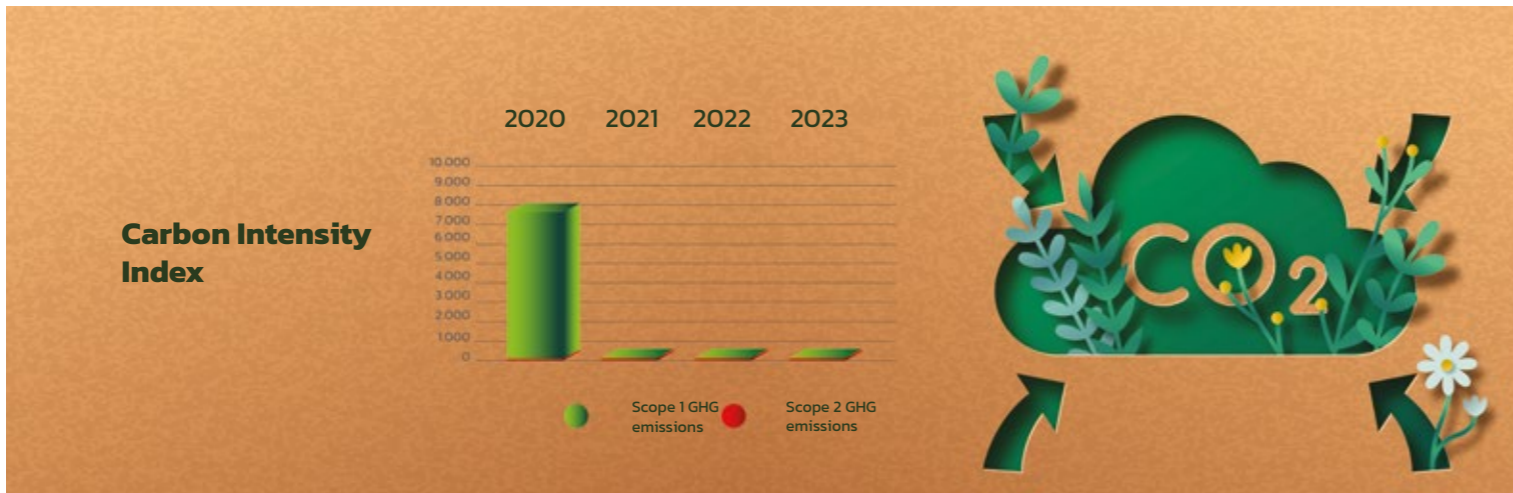
To align with the industry, **we adopted the greenhouse Gas (GHG) protocol** monitoring both Carbon Intensity and Carbon Intensity Index (CII) generated by Scope 1 and Scope 2 GHG. Taking into consideration the baseline year 2020 the majority of the footprint came from Scope 2 being generated by energy consumption. In our case, electricity.



Water

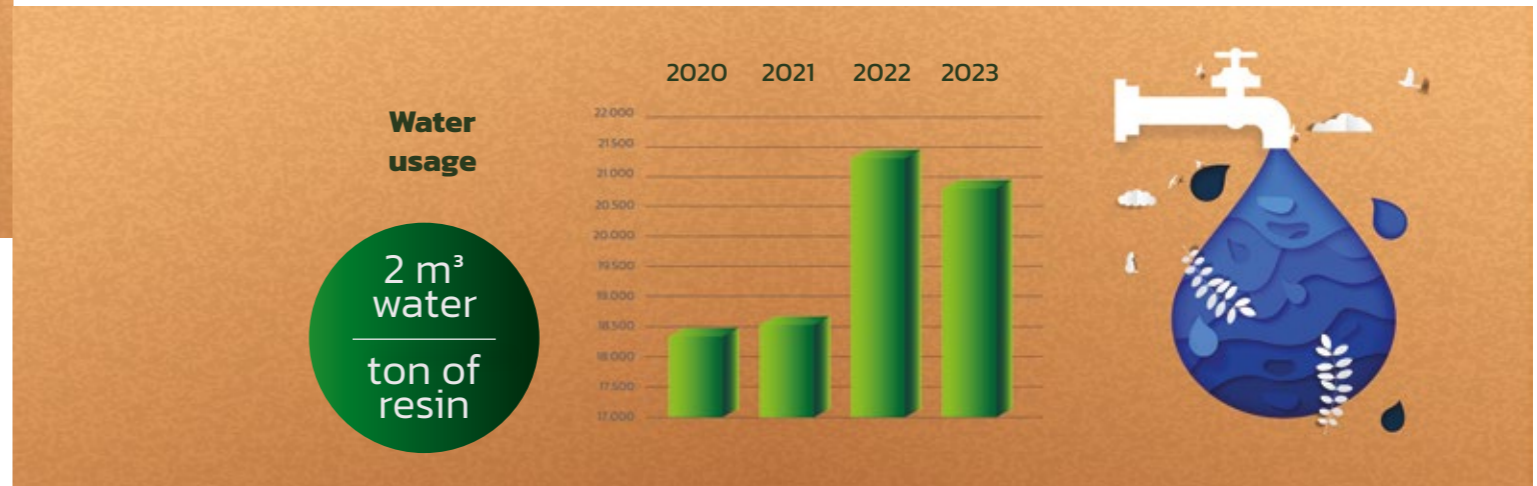
Water is among the most important resources of our planet and as such we are set to have the least impact possible. In general, our production is a non-water - intensive production yet. we have set our operations to use it smartly and not to have an impact with on water emissions. For the technology process we use the **Closed Water System** only evaporation water losses.

85% of water withdrawal is used to replenish evaporated water for technology processes (machine cooling, facility cooling and heating) that is stored in water pools. Evaporation of water is much dependent on yearly temperature averages and with global warming, this effect is increasing.

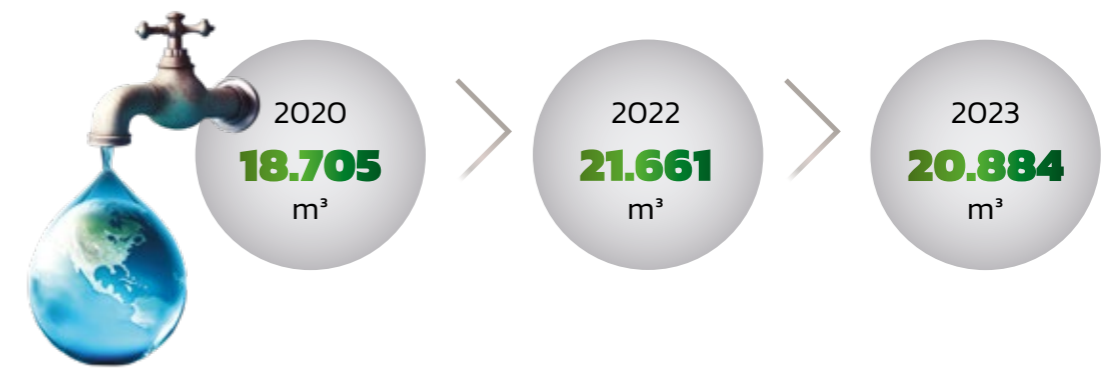


By the year 2023, we have achieved a enormous decrease of GHG creation in comparison to year 2020. In comparison to year 2022 the **Carbon Intensity Index has been reduced by 26% in 2023.**

Setting a bold target of a **50%reduction of the carbon Intensity Index by 2025** we search for ways to improve our facility operations - from the shear manufacturing process to improving facility lighting, implementing new and more efficient manufacturing equipment. Mould Technology Center (MTC) also plays a vital role since with the development of the next generation molds and manufacturing process thus converting raw material into products with less energy needed.



2 m³ water
ton of resin



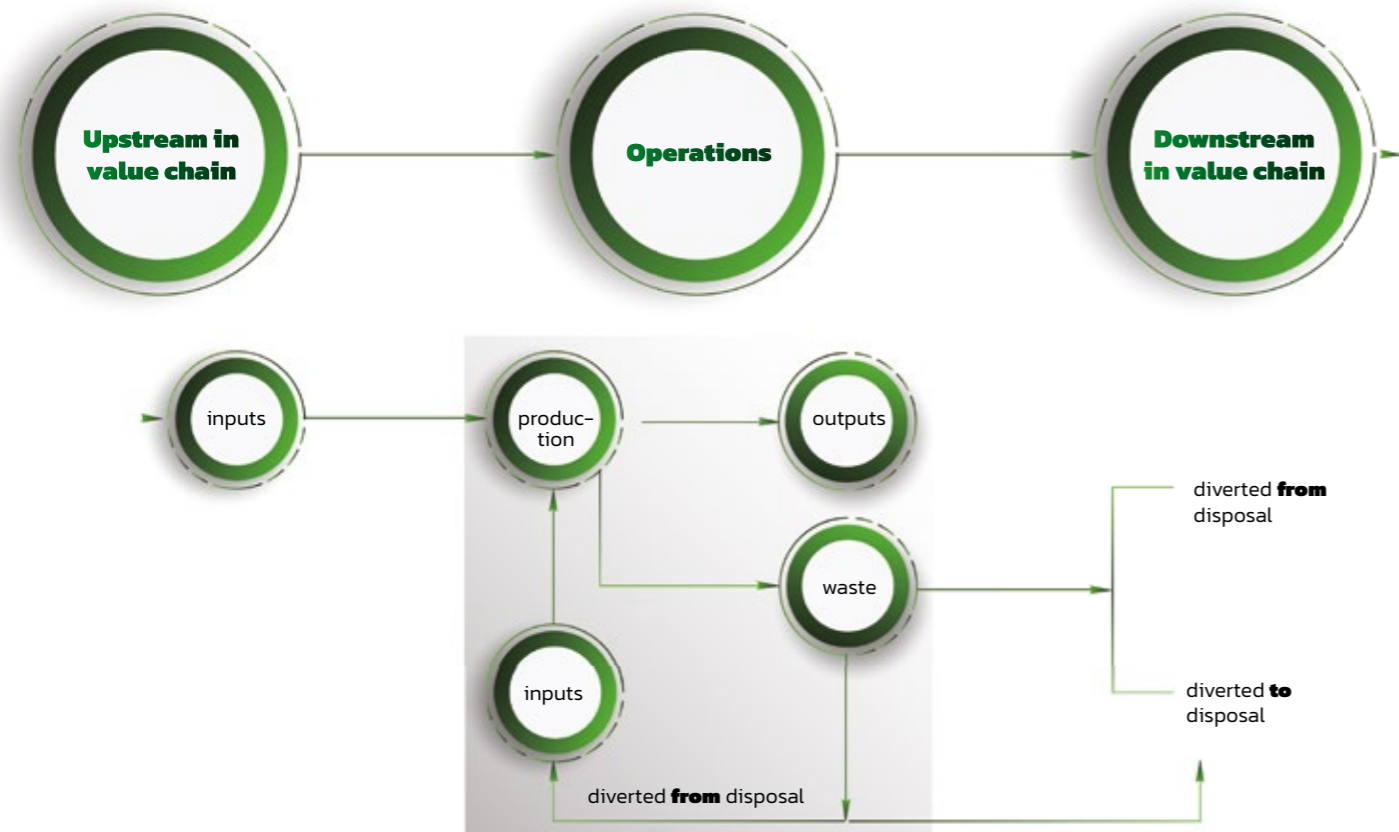
Water used for the technology process is filtered and treated, removing the hardness of water, and easing the corrosion on machines, tooling and other equipment. Also, regular monitoring of water is performed to ensure regulatory requirements. In 2023, our facilities consumed 20.844m3 of water which is slightly less then in year 2022.

Waste



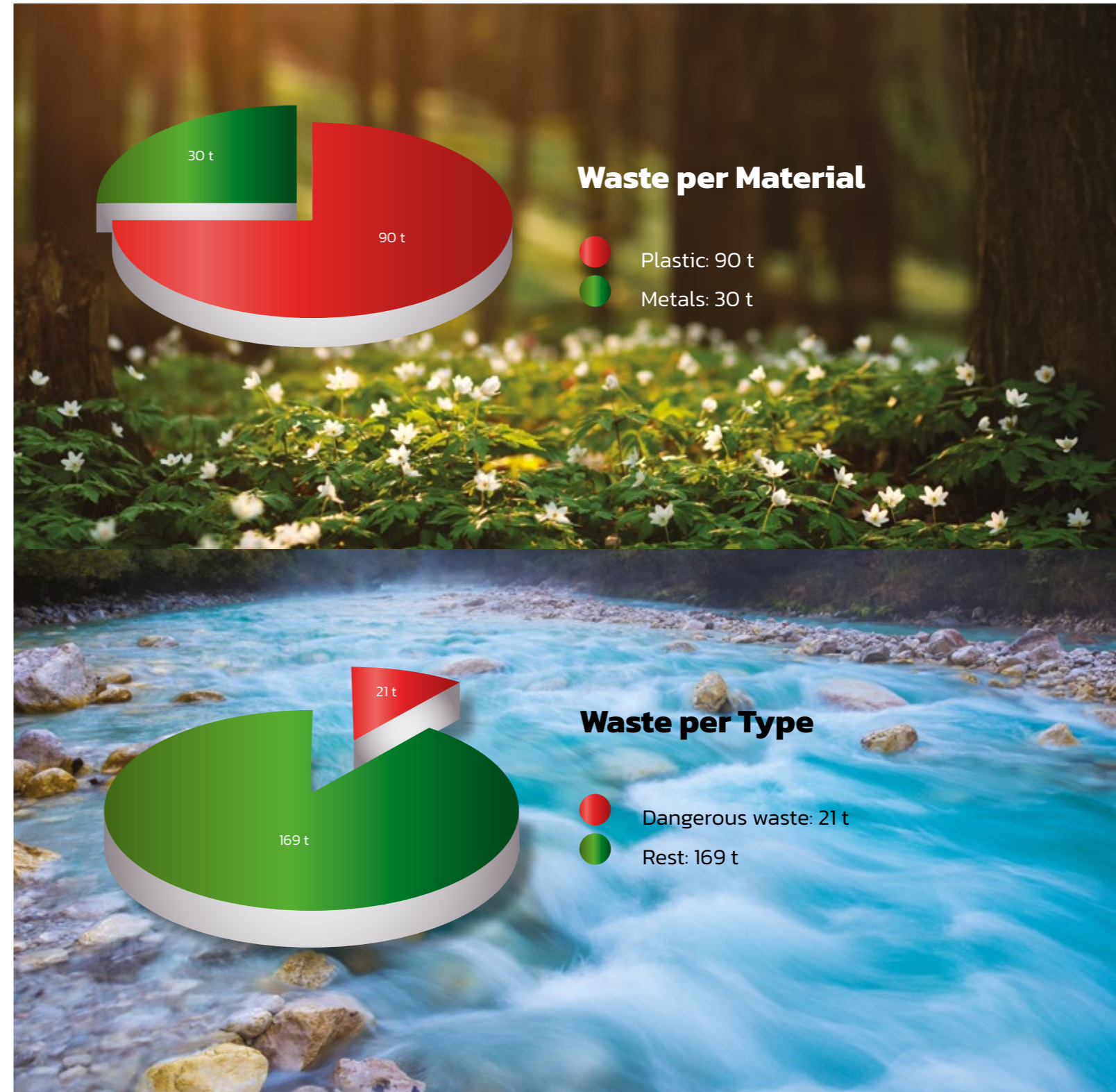
In the year 2023 the level of **generated raw material waste that was diverted from disposal remains at a high level and overreaches 90%**. This was either achieved by internal reuse and recycling or the waste was reused, reworked, or recycled by external partners.

20% of waste downstream in the value chain are metals. The majority of metals are used in our Mould Technology Center (MTC) for tooling manufacturing. Based on data from our suppliers, **more than 98% of procured metals within Upstream in the value chain are recycled materials.**



In the year 2023, we generated 234 tonnes with a split shown below. Getting data from disposal companies remains a challenge in regards to have sufficient data for diversion from disposal in downstream yet we can estimate that the majority of disposed metals is being recycled. Our estimation is that our direct impact is approximately 190 tonnes.

The majority of metal is diverted from disposal



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Sustainable Product Development

Sustainable product development or eco design at Sibio G consist **from four pillars**. With goal to reduce our carbon intensity (scope 1 and 2) **by 50%** and **increase use of recycle materials to 5% until 2025**, our cross functional teams work on:



Lightweight design

Developing new products with new, lightweight design in order to improve functionality and reduce use of resources in all steps of supply chain.



Mono-material packaging

Developing moulds and injection processes to design packaging which is easily recyclable to promote circular economy



Biobased material

Utilizing renewable resources, such as plant-based materials, to create plastics.



Recycled material

Developing process system to utilize performance of recycled materials versus virgin materials.



ISCC material

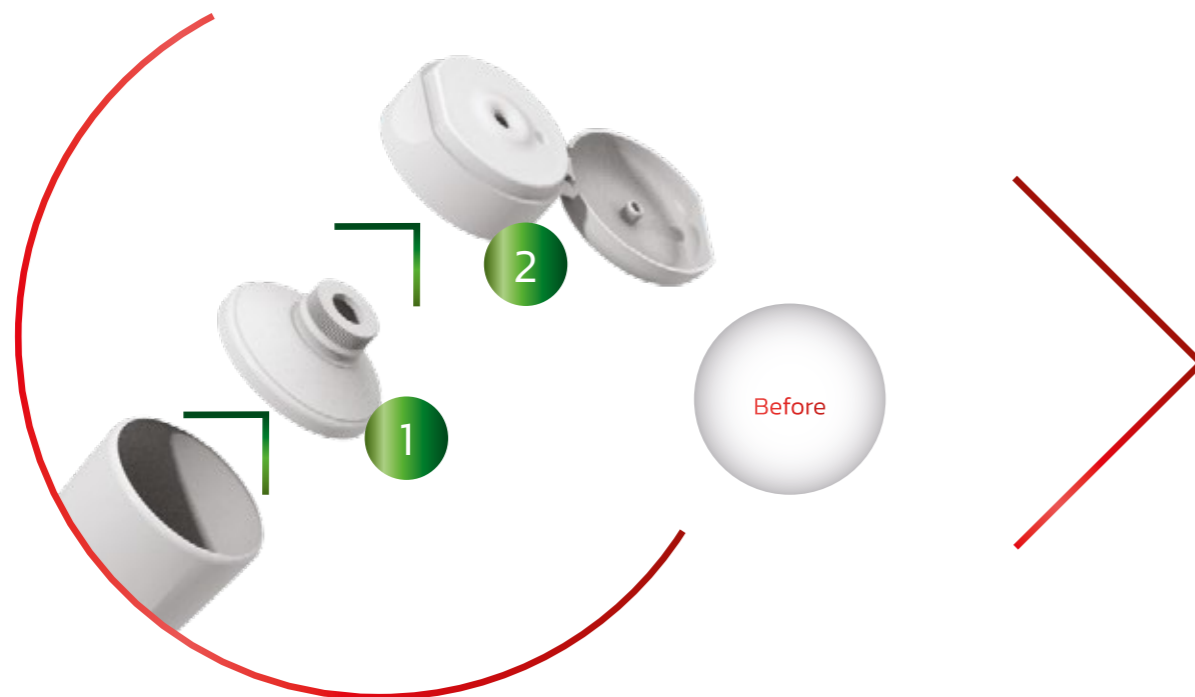
In 2023, we launched a project to integrate ISCC-certified materials into our operations. ISCC, or "International Sustainability and Carbon Certification," is a globally recognized standard that ensures sustainability across supply chains. **Sibio Group proudly achieved ISCC certification in September 2023**, establishing robust processes that guarantee full traceability throughout our supply chain. This certification ensures that the origin of our

materials can be traced back to sustainable sources, confirming their compliance with rigorous environmental standards. Following our successful certification, we validated two key types of materials:

- **Bio-based Materials:** Derived from renewable biological resources, such as plants or agricultural residues, these materials contribute to a more sustainable production process.
- **Recycled Materials:** These are materials that have been repurposed and certified by ISCC to meet high sustainability and quality standards.
- Looking ahead to 2024, Sibó Group, in collaboration with our partners, has set an ambitious goal to produce key components from ISCC-certified materials. **Our plan is to ensure that 20% of Sibó Group's entire portfolio is composed of these sustainably sourced materials**, reaffirming our commitment to environmentally and socially responsible production.

Shoulderless Flip Top

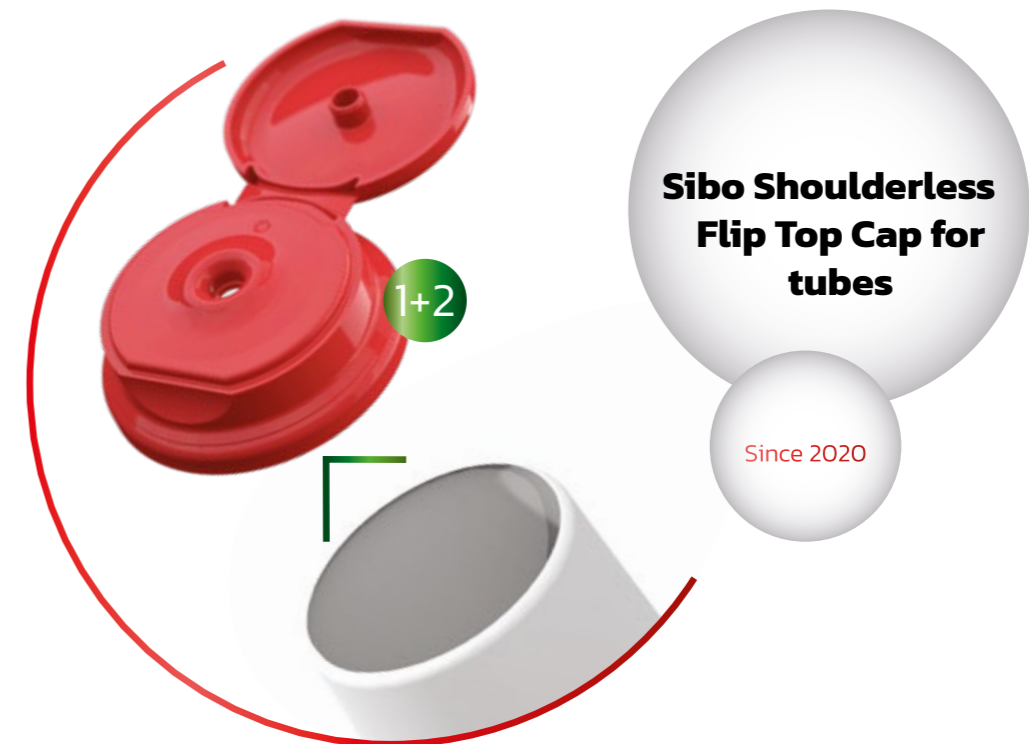
The cosmetic industry is one of our key target markets, where we aim to establish new partnerships. To attract interest, we began developing a new product, the **Shoulderless Flip Top**, in 2020, collaborating closely with our key customers and leading machinery manufacturers for tube production.



Laminate and plastic tubes with a 50 mm diameter flip top are among the most common packaging solutions for body creams and lotions. Our new product offers several significant benefits to customers:

- **35% Reduction in Plastic Weight** compared to standard market solutions
- **Polyethylene Flip Top Solution** for fully recyclable tubes
- **Tamper-Evident Functionality** to eliminate the need for additional aluminium seals
- **Integrated Two-Component Design**, reducing the number of operations required by tube suppliers
- **Reduced Packaging Material**, resulting in smaller products that require fewer trucks and lower transportation costs

All these benefits have been thoroughly tested and confirmed by our key partners during the R&D phase. The primary challenge in product development was designing and constructing polyethylene hinges with the same functionality and durability as the market-standard polypropylene hinges. To overcome this, our R&D team developed a proprietary Sibó PE blend material and an enhanced hinge construction. These innovations led to a product that successfully passed rigorous aging tests conducted by our partners.



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Social

No violations of CoC in 2023 due to high corporate culture and awareness of appropriateness

Conducting business ethically

Our Code of Conduct (CoC) reaffirms the high standards that we establish for both ourselves and our business partners.

It operates synergistically with the Sibó Group values and explicitly strengthens our dedication to ESG. Our CoC and our values exemplify how we endeavour to conduct ourselves and address challenges.

We approach Supply Chain transparency with seriousness and are actively taking measures to ensure that the ethical standards we aspire to uphold within our own business resonate throughout our supply chain. Our latest data show, that more than 90% of our suppliers are committed to ESG principles as they have their own Code of Conduct in line with ours or they have signed our Code of Conduct and therefore confirmed to commit to common ESG principles.

Sibó Group is aligned with the United Nations Global Compact (UNGC) the world's largest initiative promoting sustainability in business. We have pledged our commitment to the UNGC principles in the domains of human and social rights, labour, the environment, and anti-corruption principles intricately interwoven with our company values.

We aim to:

1. Commit the Company to the highest standards of business and ethical conduct;
2. Promote ethical behaviour and sanction breaches of these standards in the Company; and to
3. Develop a culture of ethical behaviour in the Company, based on ethical standards and ethical conduct that is respected by both management and all other employees.



United Nations
Global Compact

Conducting business equitably

We are committed to creating a diverse, equitable, and inclusive company. By embracing these principles among our 435 employees across 4 countries, we aim to foster an environment where everyone in the Sibo Group company feels represented and empowered.

Through efforts in our policies, we believe we can create an environment where everyone can thrive both personally and professionally. Low LTI frequency is a result of continuous education and the implementation of measures for occupational safety and co-financing of sports activities (SIBO Active). Sibo Group plans a more consistent implementation of the health promotion plan, the goal of which is to further reduce LTI frequency.

Data security and GDPR – Sibo Group regularly reviews legislation and updates all policies and systems of personal (employees) data protection according to GDPR and national legislation.

We follow 7 principles:
 Lawfulness ,
 Fairness and
 Transparency;
 Purpose
 Limitation;
 Data;
 Minimisation;
 Accuracy;
 Storage,
 Limitations;
 Integrity and
 Confidentiality;
 and
 Accountability.

Conducting business inclusively

We have established an inclusive business environment for our employees, their families, and our local community. We have implemented key components to achieve that:

Training and Education: Providing ongoing training on diversity, equality, and inclusion topics to enhance awareness and to mitigate biases, we created the SIBO ACADEMY. We combine the optimization of mentoring, the organization of personal training, and e-training to maintain a competitive advantage in the global market.

Flexible Work Practices: Offering flexible work arrangements that accommodate diverse needs, such as those related to family responsibilities, health considerations or simply different working styles.

Every year, we verify employee satisfaction with a survey, and in the last year it achieved the highest total score, which is 3.8 points out of a possible 5 points and more than in 2022 when it was 3.7 points. The goal is to increase this total score as close as possible to the 5 points with the various measures.



Our team

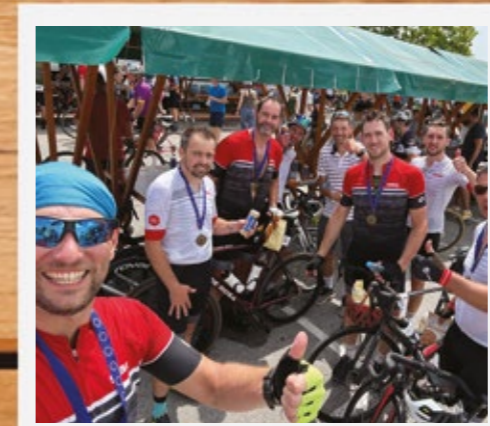
Sibo Group encourages collaboration rather than competition. We have incorporated team building and other activities into our workplace routine and practices.

We motivate our employees to work together and to develop personal strengths. We implemented an institute of "Innovation Award", "Top Idea of the Year Award" and "Employee of the Year" which stimulates our employees to actively co-create Sibbo Group as a community.

The Top Idea of the Year Award is granted for more active involvement even outside of one's field of work, searching for fresh, innovative ideas, mutual communication, sharing of ideas, opinions and experiences, encouraging employees to become more involved in the development and success of the company, for contributing to the creation of a creative and stimulating environment and strengthening affiliation.

The Employee of the Year Award is granted to a person for their effort, motivation and contribution to the development of the company.

Team building activities are a common in our company. Departments get together for annual gatherings (from a few meetings to multiple days long excursions), gatherings for motorcycle enthusiasts, bike section trips, attendance at various running marathons, annual summer picnic, the New Year's fest, and much more.



Various sport activities



Motorcycling section



Summer activities with family members



Cycling participations



Sponsorships



Rewards



Annual gatherings

Indicators			
Company Intro		Total	Intensity
	Report Scope	Sibo G Slovenia plants	
	Total Revenue	EU millions	
	Nr. Of production plants	2	
	Nr. Of employees (31. 12.)		
	Total input material weight	metric tons	
Environment			
Climate and energy	Total Energy Use	MWh	Mwh/t
	% of renewable electricity	% od Total energy use	
	Carbon intensity (Scope 1 + Scope 2)	t CO2eq	t CO2eq/t
	Scope 1 GHG emissions	t CO2eq	t CO2eq/t
	Scope 2 GHG emissions	t CO2eq	t CO2eq/t
	Water use	m3	m3/t
Recycling and waste	Dangerouse waste	t	t/t
	Non - dangerouse waste	t	t/t
	Total waste	t	t/t
	Total recovered waste	t	t/t
Sustainable development			
	Total input recycled material weight	t	
	% of input recycled plastic material	t	
Social			
Labour and human rights	% women employed in organisation	%	
	% women on management level	%	
	% of disabled employees in organisation	%	
	Lost time injury LTI severity rate		
	Lost time injury LTI frequency rate		
	Average hours of training per employee	h	
Ethics	% of employees conducted e-training on COC		
	Nr. Of violations of COC		
Suppliers and customers	Employees satisfaction score		
	% of key suppliers to have signed COC		
	% women employed in organisation		

2020		2022		2023		GOALS 2025	GOALS 2030
Total	Intensity	Total	Intensity	Total	Intensity		
40,4		58,5		60,5			
352		381		391			
10.198		10.642		10.340			
16.248,29	1,59	17.004,62	1,60	16.154,65	1,56		
8.730,95	0,85608	126,78	0,01191	94,72	0,00916	50% by 2025 (on baseline 2020)	100% by 2030 (on baseline 2020)
70,62	0,00686	92,77	0,00872	62,41	0,00604	50% reduction by 2025 (on baseline 2020)	
8.660,34	0,84922	34,01	0,00320	32,31	0,00312		
18.705	1,83	21.661	2,04	20.844	2,02		
24,70	0,00242	24,59	0,00231	21,47	0,00208		
173,65	0,01703	194,43	0,01827	213,11	0,02061		
198,35	0,01945	219,03	0,02058	234,58	0,02269		
777,00	0,07619	728,00	0,06841	547,00	0,05290		
86,7		224,5		299,0			
0,85%		2,11%		2,89%		5% by 2025 on company level	
38		39		39,53		50% by 2025	
24		52		52		50% by 2025	
6,82		5,77		6,7			
0,03		0,04		0,04		0,05 by 2025	
14,14		6,88		18,21			
6,7		17,7		22		20h/employee by 2025	
				80		100% by 2025 - e-learning class over B4know	
				0			
3,45		3,7		3,76			
						100% by 2025	

Thank you!

To all of my colleagues who work hard every day to bring a better and sustainable environment we live and work. This Sustainability Report is a reflection of these every day efforts and we all pride in promoting it.

We walk Sibogroup's Sustainable Path.

Dragan Gojkovic
CEO

Open
a better
future



www.sibogroup.com



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